

Subpart G—Puerto Rican Tobacco Products and Cigarette Papers and Tubes, Brought Into the United States

§ 275.101 General.

(a) Tobacco products and cigarette papers and tubes manufactured in Puerto Rico which are brought into the United States and withdrawn for consumption or sale are subject to the tax imposed by 26 U.S.C. 7652(a), at the rates set forth in 26 U.S.C. 5701.

(b) The excise taxes collected on tobacco products and cigarette papers and tubes manufactured in Puerto Rico are covered into the Treasury of Puerto Rico. Tobacco products and cigarette papers and tubes are considered as manufactured in Puerto Rico for purposes of 26 U.S.C. 7652(a)(3) if the sum of the cost or value of the materials produced in Puerto Rico, plus the direct costs of processing operations performed in Puerto Rico, equals or exceeds 50 percent of the value of the product when it is brought into the United States.

(c) The excise tax on tobacco products and cigarette papers and tubes of Puerto Rican manufacture may be prepaid in Puerto Rico prior to shipment of such articles to the United States in accordance with § 275.105. In the case of tobacco products such tax may be paid in Puerto Rico on the basis of a semi-monthly return in accordance with the applicable provisions of this subpart.

(d)(1) Prior to December 16, 1986, cigars and cigarettes may be brought into the United States without payment of excise tax, for transfer to the factory of a manufacturer of tobacco products, under the bond of such manufacturer, in accordance with § 275.135.

(2) Prior to December 16, 1986, cigarette paper and tubes may be brought into the United States without payment of excise tax, for transfer to the factory of a manufacturer or cigarette paper and tubes, or for transfer to a manufacturer of tobacco products solely for use in the manufacture of cigarettes, under the bond of such manufacturer bringing in such articles, in accordance with § 275.135.

(e) Tobacco products and cigarette papers and tubes of Puerto Rican manufacture on which excise tax has not

been paid or computed in Puerto Rico and which are not to be released from customs custody without payment of excise tax, under bond, shall not be withdrawn from customs custody until the excise tax has been paid in accordance with § 275.81.

(68A Stat. 907, as amended, 72 Stat. 1417, 1418, as amended (26 U.S.C. 7652, 5703, 5704))

[T.D. ATF-206, 50 FR 15888, Apr. 23, 1985, as amended by T.D. ATF-232, 51 FR 28085, Aug. 5, 1986; T.D. ATF-243, 52 FR 43194, Dec. 1, 1986; T.D. ATF-246, 52 FR 669, Jan. 8, 1987]

PREPAYMENT OF TAX IN PUERTO RICO ON TOBACCO PRODUCTS AND CIGARETTE PAPERS AND TUBES

§ 275.105 Prepayment of tax.

To repay, in Puerto Rico, the internal revenue tax imposed by 26 U.S.C. 7652(a), on tobacco products and cigarette paper and tubes of Puerto Rican manufacture which are to be shipped to the United States, the shipper shall file, or cause to be filed, with the Chief, Puerto Rico Operations, a tax return, ATF Form 5000.25, in duplicate, with full remittance of tax which will become due on such tobacco products and cigarette papers and tubes. The Chief, Puerto Rico Operations will present a receipted copy of the return to the person filing the return and paying the tax and retain the original.

(Approved by the Office of Management and Budget under control number 1512-0497)

[T.D. ATF-277, 53 FR 45269, Nov. 9, 1988]

§ 275.106 Inspection of shipment and certification of prepayment by ATF officer.

The taxpayer will prepare ATF Form 3075 (5200.9), in quintuplicate, identifying the tobacco products and cigarette papers and tubes released in each shipment, for certification by the ATF officer that the tax has been prepaid. The ATF officer assigned to inspect the shipment shall obtain the receipted copy of the tax return from the taxpayer and verify with ATF Form 3075 (5200.9) that the proper tax has been prepaid. After verification of the tax return with ATF Form 3075 (5200.9), the ATF officer will return the receipted copy of the tax return to the taxpayer. The ATF officer will then present one